(b) whether it is also a fact that farmers would not be required to obtain permission of Government to cultivate 'Sujata' variety; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Central Institute of Medicinal and Aromatic Plants (CIMAP), Lucknow claims to have developed a new variety of opium-free poppy named 'Sujata', as a genetic research genotype.

(b) and (c) As the variety 'Sujata' can not be distinguished on the basis of morphological characters from the other opium poppy varieties which are cultivated in India, its cultivation would come under the control of the Central Government under the Narcotic Drugs and Psychotropic Substances Act, 1985, and rules framed thereunder.

Interest payment on loans

1389. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in States while in 1980 interest payments were only 3 per cent of the revenue receipts which have increased now to 10 per cent of the revenue receipts;

(b) what are the reasons for this abnormal increase in interest payments; and

(c) whether any study has been made in this regard and, if so, what are the findings thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Interest payments of States, as a percentage of revenue receipts, increased from 7.5% in 1980-81 to 24.8% in 2003-04 (BE).

(b) Consistently high level of fiscal deficit leading to accumulation of debt and use thereof for meeting revenue expenditure and poor returns on capital expenditure has led to increase in their interest payments.

(c) This trend has been consistently pointed out in studies of Reserve Bank of India, Finance Commissions and recent mid-term study of Fiscal Reforms Facility of Government of India, as well.